

# IAF

## CONNECTIONS

*The Latest News from the Inter-American Foundation*

## IN THE NEWS

### New Alliances to Spur Grassroots Development

The Corporate Foundation Network of the Americas was created on September 21, in Miami, to raise the visibility of grassroots development and to channel more funding to local organizations implementing self-help development projects in the Americas.

Twenty-seven foundations, originally created by Latin American and U.S. corporations, from 11 countries make up the network. The Mexican Center for Philanthropy (CEMEFI) is serving an initial one-year term as Secretariat.

Walter Price, IAF director of corporate outreach, proposed the creation of the network in a September 2001 document titled "How Corporate Foundations Can Take the Lead in Poverty Reduction in the Americas," based on IAF's many partnerships with such foundations over the past decade.

These foundations have years of experience in funding and monitoring grassroots development projects, dealing with technical, management and financial assistance issues, measuring project outcomes, and reporting. Their network will unify lessons from this broad experience to strengthen existing programs and promote new ones throughout the Americas. The entire network will adopt one common system for measuring results of grassroots funding and will thus be able to provide overall reports about what its funding programs accomplish throughout the Americas.



*Rebecca Raposo, GIFE, Javier Diaz de Medina, Inti Raymi, and Ramón Daubón, IAF (right to left).  
Photo: Heidi Smith*



*Pictured are representatives of the corporate foundations at the meeting. Photo: Heidi Smith*

The foundations participating in the Miami meeting were: Argentina: Fundación Arcor, Fundación Juan Minetti, Fundación Telefónica; Brazil: Fundação Acesita para o Desenvolvimento Social, Fundação Odebrecht, Fundação Otacilio Coser, GIFE; Bolivia: Fundación Inti Raymi; Chile: Fundación Pehuen, Fundación PROhumana, Fundación Telefónica; Colombia: Fundación Corona, Asociación Colombiana de Fundaciones Petroleras, Fundación Restrepo Barco, Fundación EPSA, Fundación Smurfit-Carton; Ecuador: Fundación Esquel, Fundación LANN; Mexico: CEMEFI, Fundación Coca-Cola, Fundación Dibujando una Mañana, Fundación Merced, Fundación Wal-Mart Mexico, Industrias Peñoles; US: Levi Strauss Foundation; Venezuela: Fundación Polar; and Uruguay: Fundación ACAC.

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## Conference Highlights IAF Projects

Participants in IAF funded projects represented nearly a quarter of panelists at the Americas Conference on Corporate Social Responsibility (CRS) in Miami, Florida, September 22-24. The Inter-American Development Bank (IADB), the Organization of American States and the World Bank organized the conference. More than 500 corporate executives, NGOs, government representatives and corporate foundations attended. The IAF sponsored the participation of 50 students and representatives of corporate foundations and NGOs.

Vicente Fenoll, director of FinComún, an IAF supported micro-credit project in Mexico City, and Santiago Mariscal, project manager of new business development at Grupo Bimbo, the world's third largest bread producer, described how their partnership lets FinComún reach new clients when its loan officers ride along in bread delivery trucks.



Jones, Bertelli Gabardo and Morrison at CRS conference (left to right).  
Photo: Heidi Smith

Judith Morrison, IAF representative for Brazil and Colombia, and Ceres Lois Bertelli Gabardo of O Boticario Fundação reported how O Boticario, a major cosmetics producer in Brazil, has set aside one percent of its gross profits to invest in grassroots development projects affecting the environment in the Amazon. Andrea Schettini of

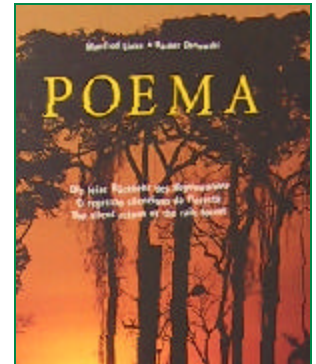
Fundación Minetti, the philanthropic arm of a multinational cement corporation, described a project providing funding of small subgrants to more than 200 community groups in Cordoba, Argentina. Audra Jones, IAF representative for Argentina and Venezuela, moderated the panel.

Other panelists associated with IAF funded projects include: Joaquim Zahn, president of DaimlerChrysler in Brazil; Vicky Schreiber, technical advisor of Poemar; Jesús Moreno, president of Empresas Bon; Felipe Cajiga, coordinator for the Mexican Center for Philanthropy; Evaydée Pérez, executive director of Alianza ONG in the Dominican Republic; Richard Jones, executive trustee of Barbados' Community Tourism Foundation; Henry Day, board member of Perú 2021; Humberto Rada, general manager of Bolivian mining company Inti Raymi; Ralph Edmond, president of Farmatriz and Haitian Partners for Christian Development; and Helio Mattar, president of Akatu Institute and a council member of Ethos Institute of Brazil. Presentations from the event are accessible on the IADB Web site ([www.csr.americas.org](http://www.csr.americas.org)).

## Amazon Solutions

The IAF, DaimlerChrysler and the Brazilian Embassy co-sponsored a reception on October 25 in Washington D.C., to mark the publication of a book documenting 10 years of work by IAF grantee POEMAR on issues of poverty and environment in the Amazon.

The book, *POEMA, The Silent Return of the Rain Forest*, was produced by writer Rainer Osnowski and photographer Manfred Linke, who followed POEMAR's alternative economic development strategies since 1992. In German, Portuguese, and English text, and in Linke's photographs, the book portrays the Amazon region and its people who benefited from a unique joint venture between POEMAR, a Brazilian NGO, and automobile manufacturer DaimlerChrysler AG.



*POEMA, The Silent Return of the Rain Forest. Photo: Courtesy of DaimlerChrysler*

In introductory remarks, Brazilian Ambassador Rubens Antonio Barbosa described the devastation of the Amazon rainforest caused in part by settlers with little knowledge of local soils and sustainable methods. This was the situation POEMAR's founders set out to remedy in 1992. Its teams of sociologists and forestry, agricultural, health and water experts worked with local communities to improve water systems, then introduced long-forgotten agricultural methods that permitted exploitation of the rainforest without destroying it. New economic possibilities opened soon after when a pilot production plant showed that fibers from the plentiful coconuts in the region could be used to make headrests for cars and trucks.

Now, a larger plant employs 50 workers to turn coconut husks into upholstery and sun visors for cars produced in Sao Paulo. Compared with plastic, coconut fiber requires less energy to produce and is easier to recycle. Through a company it set up to run the plant, POEMAR now sells to General Motors and Honda, as well as DaimlerChrysler.

IAF President David Valenzuela emphasized the importance of POEMAR's commitment to work with local communities to reduce poverty in the Amazon. IAF is currently supporting POEMAR to develop new industries based on processing local fish and fruit. More information about POEMAR and its partnerships with the IAF and DaimlerChrysler is available online at [www.iaf.gov](http://www.iaf.gov). Click on grants, corporate outreach and case studies.

## Loans, Training Make a Difference

Irma del Carmen Hernández de Godoy was a Salvadoran homemaker in the municipality of Acajutla, with little schooling and no trade. Through Centro de Reorientación Familiar y Comunitaria (CREFAC), she learned to bake bread and to set up and manage a micro-enterprise. With a \$1,100 loan from CREFAC she opened her "Panadería Hernández" which now grosses about \$1,400 a month. She takes home \$700 and has created jobs for her family and two other Acajutla residents. Having repaid her first loan, she is applying for a second to expand the bakery.

Irma's story is only one of several that Nicolás Antonio Barrera, the executive director of CREFAC, sent us. From 1999 to 2002, the IAF supported a CREFAC training project in an area of El Salvador devastated by Hurricane Mitch. Vicenta Lilián Jovel also signed up for the baking course, received a similar loan and started her own business, which she runs with one of her daughters. With a monthly income of \$1,400, she is repaying the loan, while supporting her other children.

Oscar Alfredo López Mendoza used to earn \$150 a month when he was able to find work. In 2000 he signed up for a course in structural steel mechanics. Since January 2001, he has been earning \$1,200 month maintaining cargo ships for Sea Bound Maritime, Inc.

CREFAC began working 34 years ago in the poor neighborhoods of El Salvador's largest municipalities. Over the last 20 years, this nonprofit organization has trained more than 15,680 people in various trades and 4,690 as community leaders. It has also provided financing for 5,588 micro-entrepreneurs, 80 percent of them women of whom half have only a primary education and one-third never finished primary school.

According to Barrera "CREFAC has helped people who previously didn't have the opportunity to develop their abilities. Positive changes in individual lives improve conditions in families, communities and the whole country. This is CREFAC's greatest reward."

## Grantees Honored

**Leticia Toj Umul**, executive director of Guatemalan NGO Rxiiin Tnamet, an IAF grantee, spoke at the United Nation's 55th Annual Conference of NGOs on "Rebuilding Societies Emerging from Conflict: A Shared Responsibility," September 9-11 in New York. Toj Umul described her experience helping local communities around Lake Atitlán to build local health care centers after Guatemala's violent 36-year civil war. The centers offer preventive healthcare and pharmacies and run immunization campaigns.

**Fundação Boticario**, an IAF partner, received Brazil's Prêmio Expressão Ecologia for environmental education in November. Boticario also won this award in 1995 and 2000. All winners are profiled in the November issue of the magazine *Expressão*.

**Eusebio Armando Castro César**, head of Proyecto Ayóompari, an IAF grantee promoting development of indigenous cultures, received Peru's annual Esteban Campodónico Figallo Award for his work supporting the rights of indigenous communities in his hometown, Marankiari Bajo, Chanchamayo, Junín, while protecting the Perene River and surrounding forests.

**Neide Silva**, director of Equipe Técnica de Assessoria Pesquisa e Ação Social (ETAPAS), a former grantee in Brazil, is participating in Yale University's World Fellows Program this fall. Silva is the only Brazilian among 18 fellows chosen from 500 candidates from around the world. The semester-long seminar is aimed at helping the fellows develop new strategies and leadership skills for their work in government, academia, business and NGOs. For more information, go to [www.yale.edu/worldfellows](http://www.yale.edu/worldfellows).

**Fundación Minetti**, an IAF grantee in Cordoba, Argentina, won honorable mention in educational and cultural affairs for business citizenship from the U.S. Chamber of Commerce in Argentina. Established in 1918 to honor businesses that contribute to economic development in Argentina while helping the well-being of its citizens, the prize is awarded annually. Fundación Minetti received the award for its program "El Fondo Tendiendo Puentes," a fund to bridge the gap between private sector and NGOs and promote business social responsibility. For more information log onto [www.amchamar.com.ar](http://www.amchamar.com.ar).

The Inter-American Foundation (IAF) is an independent agency of the United States government that provides grants to non-governmental and community-based organizations in Latin America and the Caribbean for innovative, sustainable and participatory self-help programs. The IAF primarily funds partnerships among grass-roots and nonprofit organizations, businesses and local governments, directed at improving the quality of life of poor people and strengthening participation, accountability and democratic practices. To contribute to a better understanding of the development process, the IAF also shares its experiences and the lessons it has learned.

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## Conferences

**Remittances and Development in the Caribbean, Kingston, Jamaica, September 17**

The Multilateral Investment Fund (MIF) of the IADB hosted a roundtable to discuss how regulations on remittances and migration affect development strategy. Carlo Dade, IAF representative for the Dominican Republic and Haiti, shared the IAF's experiences linking diaspora communities with their points of origin. Omar Davies, Jamaica's Minister of Finance and Planning, opened the conference. Log onto [www.iadb.org/mif](http://www.iadb.org/mif) for more details.

**Corporate Social Responsibility for Haiti Business Leaders, Port-au-Prince, October 22**

Twenty leading Haitian business people met for a one-day seminar to learn about corporate social responsibility. IAF grantee Fondation la Ruche hosted this event sponsored by the Centre pour la Libre Entreprise et Démocratie (CLEDE), UNIBANK S.A., Forum Empresa and the IAF.

**National Net Impact Conference, Washington D.C., October 25-26**

Net Impact, a network of M.B.A. students and professionals exploring the interdependence of business and social responsibility, celebrated its tenth annual conference "Partnering to Create Social Value." The business schools at American University, Georgetown University, George Washington University and the University of Maryland sponsored the conference. There were over 900 participants from 40 countries.

Kellee James, IAF intern for corporate programs, moderated a panel on international tri-sector partnerships with representatives from DaimlerChrysler, Poemar, Bolsa Amazonia, and the IAF's Judith Morison, representative for Colombia and Brazil. Audra Jones, IAF representative for Argentina and Venezuela, moderated a panel on global companies, strategies, and corporate social responsibility with panelists from Procter & Gamble and USAID. Walter Price, IAF director of corporate outreach, spoke on the IAF's partnerships with corporate foundations.

## Workshops

**Guatemala:** Thirty-two participants from 17 Guatemalan grantee organizations met in August for a one-day workshop to discuss the Grassroots Development Framework (GDF). Miguel Cuevas from the IAF's Office of Evaluation led the discussion and provided participants with an overall view of the GDF and an explanation of the most frequently selected indicators.

**El Salvador:** Philip French, US Embassy's Deputy Chief of Mission, joined six new grantees in El Salvador on August 2 for a workshop on IAF policies and procedures regarding grant administration.

**Mexico:** Despite Hurricane Isidore, nine IAF contractors from Argentina, Panama, Mexico, Brazil, El Salvador, Haiti, the Dominican Republic, Peru and Bolivia met for IAF's annual data verifier workshop in Merida, Mexico, September 23-27. The week's activities unfolded in a context of rationed food and no water or electricity. The group also visited IAF grantee Fundación Cultural de Yucatan.

## Presentations

**Bill Leogrande**, American University's School of Public Affairs director, spoke in July on the grassroots political implications of economic reform policies in Cuba.

**Robson Anselmo Santos**, representing Sociedade Afrosergipana de Estudos e Cidadania (SACI), an IAF grantee in the Brazilian Northeast, discussed income-generating projects and gave a brief overview of development in the region. While in Washington, he also participated in a training program for NGO employees at the IADB.

**Ed Millard** and **Steve Webster** from Conservation International spoke in July on eco-tourism projects. Conservation International is a pioneer and among the largest funders of eco-tourism projects in the hemisphere. See [www.conservation.org/](http://www.conservation.org/) for more details.

**Salvador Sanabria**, development director and coordinator of the transnational program at El Rescate, a service organization for immigrants in Los Angeles, spoke in August about a new economic development program underway in collaboration with

FUCAD (Fundación Centroamericana para el Desarrollo Humano Sostenible), the Salvadoran government, local governments and communities, and hometown associations.

**Patricia Mejalelaty**, executive director of Fundación LEER, spoke in October about her organization's innovative program in literacy and life skills development in Argentina. She also discussed programs under development with other partners, including one with Western Union to benefit Bolivians working in Buenos Aires.

**Steve Sherwood** of Global IPM (Integrated Pest Management) in Ecuador spoke on the ecosystem crisis in October. He works on social themes associated with rural development, such as integrated crop and pest management, farmer-based experimentation, and conflict management. IPM, headquartered at the UN's Food and Agriculture Organization (FAO) in Rome, is a partnership between the FAO, UNDP, World Bank and UN's environment program.



Kaye Pyle, IAF representative for El Salvador, with Mayor René Canjura. Photo: Mark Caicedo

**René Canjura**, Mayor of Nejapa, El Salvador, spoke to IAF staff about the lack of resources for local economic development projects in Latin America. Nejapa is the setting for a unique strategic alliance among the municipal government, the local Coca-Cola bottling company, and the Salvadoran Foundation for Integral Development (FUSAI) and National Foundation for Development (FUNDE), both IAF grantees. Meanwhile in El Salvador, communication students at the Universidad Dr. José Matías Delgado recently recognized Coca-Cola as one of 10 national firms demonstrating a commitment to social responsibility. The university students interviewed more than 1,500 people in the metropolitan area of San Salvador during August and September to arrive at their findings.

## IAF Publications



\* Volume 23, Number 1 of *Grassroots Development*, the IAF journal, now available in English, includes articles by Ramón Daubón, Lester Salamon, Edgar Darío González, Chris Krueger and others; Audra Jones' interview with George C. Lodge; reviews of Hernando de Soto's and Kevin Healy's latest books; the journal's first photo essay and more. The Spanish version is expected to be ready soon.

\* In *Economic Development in Latin American Communities of African Descent*, IAF representative Judith Morrison has compiled presentations from an IAF-sponsored panel at the XXIII International Congress of the Latin American Studies Association held in 2001 in Washington, D.C.



\* *Togetherness* by Beryl Levinger and Jean McLeod examines the experiences of 12 intersectoral partnerships, among NGOs, local government and, in some cases, private sector businesses working on grassroots development in five Latin American countries. The authors analyze the vocabulary, stages and types of partnerships formed, as well as the benefits

and burdens of such collaborations.

\* The IAF has launched a new CD-ROM to disseminate its experiences with corporate social responsibility. The 15 case studies from different countries and industries provide examples of innovative partnerships between the IAF and the private sector.



Recent IAF publications can be ordered free by e-mailing [publications@iaf.gov](mailto:publications@iaf.gov). Supplies are limited; orders will be filled on a first-come-first-served basis. All publications are accessible in English on the IAF's Web site at [www.iaf.gov](http://www.iaf.gov).

## Dissemination

President David Valenzuela was a guest speaker at a four-day workshop, sponsored by the municipal government of Seville, Spain, on developing strategies to support and promote micro and small businesses. Valenzuela also represented the U.S. government at the Second International Meeting of Ministers and Representatives of the Highest Authorities Responsible for Decentralization, Local Government and Citizen Participation held September 10-11 in Cancun, Mexico. In October, he taught a series of classes on local development at the Universidad Autónoma Gabriel Rene Moreno in La Paz, Bolivia.

## Media Round-up

IAF grantee Alternare works with poor communities around the Monarch Butterfly Biosphere Reserve in central Mexico. A July 9, *New York Times* article, "Aid to Farmers Helps Butterflies Too," highlighted Alternare's advocacy work and its accomplishments in teaching farmers to build adobe houses instead of using trees from local forest, to use new environmentally friendly kitchen stoves, and to avoid chemical fertilizers in order to improve their lives while saving important habitats for migrating butterflies. Log onto [www.nytimes.com](http://www.nytimes.com) for full article.

IAF's Web site was featured in the September 2002 *Shutterbug*, a monthly photography magazine. Patrick Breslin's photo essay on a recycling project in Bogotá, Colombia was highlighted.

Global Envision reprinted an IAF *Connections* story on Nicaraguan grantee PAGJINO, "Wake Up and Smell the Prize-Winning Coffee," on its Web site in July. Log onto [www.globalenvision.org](http://www.globalenvision.org) for details.

An article September 2, in the *San Diego Union-Tribune*, "No Stopping for Mrs. San Diego; Spa Founder Honored for her Endless Efforts," profiles former IAF president Deborah Szekely for her life's achievements, including her nomination as Mrs. San Diego by San Diego's Rotary Club. Szekely was IAF president from 1984-1989.

Ricardo Navarro, founder and executive director of CESTA in El Salvador, spoke on *Hardball*, a news commentary program, on the digital NBC channel, taped and broadcast in Washington, D.C., September 27.

IAF grantee, Abrinq, is a Brazilian NGO working with businesses and government to adopt policies favorable to early childhood development. In the recent presidential elections, Abrinq's campaign for a "child friendly" president, prioritizing children and youth in the new administration, drew promises from all four candidates. The same campaign pointed to the reduction of infant mortality and education for all age groups as the new president's greatest challenges. Abrinq has certified some 1,200 businesses as "child friendly," according to Brazil's *Folha de Sao Paulo* of October 7.

Luis Nogales, former IAF board member, was cited in *Business Wire* for his pledge of \$1 million to MALDEF (Mexican American Legal Defense and Educational Fund), as the largest gift by an individual in the organization's history. Nogales, "one of the nation's most prominent corporate leaders and Latino investors" according to *Business Wire*, served on the IAF board from 1980-1988. Log on to [www.businesswire.com](http://www.businesswire.com) for full article.

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## 2003 funding cycle

Using a revised review process, IAF staff called 200 proposals from more than 1,000 received for the 2003 funding cycle. The new procedure includes grouping proposals by sector and ranking them according to their merits. The top 16 proposals for each country are then selected through the application of three separate ratings in the context of the country and the Foundation's portfolio. After pre-screening visits, the finalists for funding are presented to IAF management for approval.

## IAF reorganization

The IAF reorganized in mid-August. President David Valenzuela appointed four new vice presidents: Carolyn Karr, senior vice president, Ron Arms, programs, Linda Borst-Kolko, operations, and Patrick Breslin, external affairs. Senior foundation representatives were named to lead regional teams in the programs office: Miriam Brandão for Central America, Bob Sogge for Mexico and the Caribbean, and Judy Morrison and Wilbur Wright are dividing South America. Walter Price, now director of corporate outreach, will work on the Corporate Foundation Network of the Americas.

## IAF Funding

The Social Progress Trust Fund (SPTF) was set up to receive local currency repayments from development loans to Latin America dating back to the Alliance for Progress in the 1960s. Since 1973, under a series of multi-year agreements with the IADB, the Fund's manager, the IAF has used a portion of the money for its grassroots projects. The latest agreement went into effect on August 12. It makes all the remaining money, either in the SPTF or due to be collected--roughly \$80 million over the next 15 years--available for IAF projects.

## Where are they now?

Susan Pezzullo was recently named Peace Corps director in Nicaragua. Pezzullo, IAF representative for Mexico, Paraguay and Argentina from 1982-1991, has worked in international development for over 20 years at USAID, International Youth Foundation and the Spanish Education Development Center. Other former IAF staff working as Peace Corp directors in Central America are Charles Reilly in Guatemala and Bill Barbieri in Belize.

## New Faces

### Contractors

**Teresa Noel Gutiérrez**, IAF's data verifier in Guatemala, holds a master's degree in natural resources from the Universidad Rafael Landívar, and a forestry engineering degree from the Nicaraguan Universidad Nacional Agraria. She has worked with Empresa de Consultoría en Ecotecnología (ECOTEC), a current IAF grantee, and Uniendo Pensamiento, an indigenous women's group.

### Staff

**Madeline López**, IAF's auditor, has a degree in business administration from the University of Puerto Rico and previously worked for the Department of Defense's Contract Audit Agency.

**Ramón Daubón** joined the office of External Affairs in October as senior advisor to the president. Daubón will be sharing his time between the IAF and the Kettering Foundation. He has also worked for the Ford Foundation in Santiago, Chile, and for the IAF.

**Richard T. Jones Jr.**, general services specialist, has a B.S. in psychology/business management from the University of Maryland and is currently an M.B.A. candidate at Strayer University. He came to the IAF from Exxon Mobil Corporation.

### Interns

**Katie Cameron**, a Stanford University undergraduate, is working with the Corporate Foundation Network of the Americas.

**Megan Dilley**, a third-year law student at Georgetown University, is working with the general counsel's office.

**Ana Margarita Tenorio**, an M.A. candidate (development management) at American University and native of Honduras, is working on local development projects in the Program Office.

**Adam Warfield**, a senior at Mary Washington College majoring in international affairs and business, is working on publications with the Office of External Affairs.

## Advisory Council

**Patricia V. Mares Asip**, founder of Mares Inter-Americas Corporation, a company specializing in international business development in the Americas, previously managed minority consumer affairs for J.C. Penney Co., Inc.

**Renate Rennie** has worked at the Tinker Foundation since receiving her B.A. in anthropology and became president in 1995.

## Farewells

**Travis Jacobs**, paralegal assistant, is now a graduate student at the London School of Economics.

**Arnie Garza**, auditor, is now at the National Science Foundation.

**Heidi Kranz**, IAF's assistant general counsel, has left to travel, write and paint.

## In Memory

**José Jaramillo** was killed August 7 in the bomb raids during President Alvaro Uribe's inauguration in Bogotá, Colombia. Jaramillo, a photographer, worked closely with Marion Ritchey-Vance, former IAF representative for Colombia.